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Arizona Corporation Commission

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ARIZONA CORPORATION COMMISSION
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IN THE MATTER OF THE APPLICATION
OF TUCSON ELECTRIC POWER COMPANY
FOR APPROVAL OF ITS PROPOSED
ZERO-NET ENERGY HOMES
PILOT PROGRAM

Docket Nos. E-01933A-07-0402

E-01933A-05-0650

SWEEP COMMENTS ON THE
RECOMMENDED ORDER (ROO)
AND STAFF REPORT

March 26, 2010

The Southwest Energy Efficiency Project (SWEEP) appreciates the opportunity to submit its comments on the Recommended Order and Opinion (ROO) and Staff Report regarding the Tucson Electric Power Company (TEP) proposed Zero-Net Energy Homes Pilot Program (ZEH Program), filed by Commission Staff on March 16, 2010.

The Proposed Order as written would deny approval of the ZEH Program based on Staff's analysis. However, Staff also notes that the Program is cost-effective when the low value for CO2 is included in the analysis (with a benefit/cost ratio of 1.12; ROO, page 10), and provides recommendations in the event the Commission decides to approve the ZEH Program.

SWEEP urges the Commission to approve the TEP ZEH Program, with Staff's recommendations in the event the Program is approved, for the following reasons:

1. It is essential to develop additional energy efficiency program strategies to reduce the energy costs of new homes and to make new homes more affordable for consumers.
2. The TEP ZEH Program includes two additional "tiers" of performance, both representing higher performance, which will result in lower energy costs for the occupants.
3. The proposed ZEH Program is a pilot program. One purpose of a pilot program is to explore opportunities and strategies, and then incorporate the lessons learned in future programs and program enhancements.

- 1 4. By following Staff's recommendations and applying the lessons learned from the pilot, TEP
2 would have the opportunity to improve the cost-effectiveness of the Program.
3
- 4 5. Two other ZEH programs, for APS and UNS customers, are cost-effective and were found to
5 be cost-effective by Staff's analysis. The Commission previously approved the higher tiers
6 of performance in the APS New Construction Program that, when combined with renewable
7 energy measures, comprises the ZEH program for APS customers.
8
- 9 6. The TEP ZEH Program is cost-effective when the low value for CO2 is included in the
10 analysis, with a benefit/cost ratio of 1.12. The value of the Program should be assessed with
11 all of its economic benefits included.
12

13 Therefore, SWEEP believes the TEP ZEH Program is in the public interest.
14

15 SWEEP supports the recommendations Staff proposed in the event the Commission
16 approves the ZEH Program, including requiring TEP to market the Program to gas/electric
17 homes, file an application to continue, modify or terminate the Program within 42 months, and
18 provide additional information on the Program. ROO, pages 10-11.
19

20 SWEEP urges the Commission to approve the TEP ZEH Program, with the
21 recommendations Staff proposed in the event the Commission approves the Program, because
22 the Program is in the public interest.
23

24 Thank you for the opportunity to submit these comments on the ROO and Staff Report.